

**USDA
YEAR 2000
QUARTERLY PROGRESS
REPORT**

AUGUST 1999



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Status of Department of Agriculture Year 2000 Efforts: Quarterly Progress Report for August 1999

I Progress on Mission-Critical Systems.

Indicate whether you have completed work on all mission critical systems. Please ensure that your report is consistent with the CIO Council's best practices and GAO's assessment guide, "Year 2000 Computing Crisis: An Assessment Guide."

Total Number of Mission-Critical Systems	Number Compliant	Number To Be Replaced	Number To Be Repaired	Number To Be Retired
May Report 349	334 95.7%	5 1.4%	5 1.4%	5 1.4%
August Report 349	341 97.8%	3 0.8%	0 0%	5 1.4%

In the May 1999 quarterly report to OMB, USDA tracked a total of 349 mission-critical systems and reported 95.7 percent compliant. As of this August report, 97.8 percent of these systems are compliant.

We have designated 52 of the 349 mission-critical systems as Departmental Priority systems having major impact regarding people's health, safety and finances, or having significant economic impact. A mandatory independent verification and validation is being performed on all departmental priority systems.

For those agencies with unfinished mission critical systems, provide a list of all such systems, whether to be replaced, repaired, or retired. The list should include:

- 1. The name of the system.**
- 2. A brief description of its function.**
- 3. The date when the agency expects to make the system compliant. If there has been a change since previous reports in the date when the system is expected to be compliant, please explain.**
- 4. A brief description of the implications of the system not being ready and whether there is a contingency plan in place. If there is no contingency plan, indicate when one will be complete.**
- 5. The reason the system is not yet compliant.**

The table on the following pages outlines the three mission-critical systems remaining to be replaced and the five mission-critical systems which will be retired:

Name of System/ Agency	Description of System	Date of Compliance	Description of Implications	Reason not Compliant
Financial Accounting & Reporting System (FARS) Foreign Agricultural Service	Internal funds control and reporting system providing financial account and reporting for FAS funds control and budget	10/1/1999	This system is on schedule for implementation on 10/01/1999. A contingency plan is in place to ensure continued program delivery.	Agency currently performing an independent verification and validation on compliant replacement system which is scheduled for completion mid-September. Compliant System will become operational 10/01/1999 with Fiscal Year switch over.
Electronic Mailing System Food Safety and Inspection Service	FSIS' HPDesk electronic mailing system has been replaced by Microsoft Exchange/Outlook and is being deployed at headquarters and their field offices.	09/30/1999	FSIS has installed new E-mail system at headquarters and several of its field locations. Deployment is continuing with an expected completion date in September. A contingency plan is in place to ensure continued delivery of services.	Not fully Deployed
Laboratory Information Management System (LIMS) Animal and Plant Health Inspection Service	The purpose of this project is to acquire, implement, and support a LIMS for Veterinary Services staff located at the National Veterinary Services Laboratories in Ames, Iowa, and the Center for Veterinary Biologics in Ames, Iowa and Riverdale, Maryland, and the Foreign Animal Disease Diagnostic Laboratory in Greenport, New York	09/30/1999	Current system if not compliant but has been modified to function until replacement system is implemented in September. A Contingency plan in place to ensure continued delivery of services.	A compliant commercial off-the-shelf system is being utilized to replace current non-compliant system. Contractor support has been acquired to tailor and install replacement system to APHIS' needs.

Name of System	Description of System	Date of Compliance	Description of Implications	Reason not Compliant
Risk Management Farm Service Agency	System being retired, FSA is continuing to process data for 1996 and 1997 program years.	09/30/1999		Being Retired
Relocation Income Tax Allowance Farm Service Agency	Function being transferred to an existing system at the National Finance Center in New Orleans	09/30/1999		Being Retired
Accounts Receivable Risk Management Agency (RMA)	System updates subsidiary accounts (individual policy holder accounts) with all detail transactions related to the financial activity of the Federal Crop Insurance Program System will retire directly after debt write-offs, the last week of September.	09/30/1999		Being Retired
Debt Management Risk Management Agency (RMA)	System provides a mechanism for the collection and reporting of debts owed to the Risk Management Agency. System will retire directly after debt write-offs, the last week of September.	09/30/1999		Being Retired
Direct Business Sales Acreage Loss Sales & Service Contractor Interface System Risk Management Agency (RMA)	System provides a pre-accounting process on sales, acreage and losses under the Federal Crop Insurance Program. System will retire directly after debt write-offs, the last week of September.	09/30/1999		Being Retired

II Other Progress.

A. **Provide a description of progress to make non-mission critical systems compliant, including measures that demonstrate that progress.**

The following table breaks down the status of non-mission critical system:

Total Number of Non-Mission Critical Systems	Number Compliant	Number to be Replaced	Number to be Repaired	Number to be Retired
354	291 82%	16 5%	41 12%	6 2%

The following table breaks down the status of non-mission critical systems under repair:

Number of Systems Being Repaired	Assessment Completed	Renovation Completed	Validation Completed	Implementation Completed
94	94 100%	76 81%	65 69%	53 56%

UDSA is tracking its non-mission critical systems in the same aggressive manner as it has taken with its mission-critical systems. Status of non-mission critical are being reported weekly to the Secretary and Sub-cabinet officials to ensure management attention has a continued focus on meeting compliance.

B. **Provide a description of progress to make data exchanges compliant with all entities external to your agency, including other Federal agencies and the private sector. Include:**

- **The total number of data exchanges, the number that are compliant on both sides, and the number which have been fixed on the Federal side.**
- **When you expect that all your data exchanges will be compliant.**
- **A brief description of any difficulties you have encountered in making the exchanges compliant.**

USDA is tracking 473 data exchanges representing 1,480 exchange partners. USDA has contacted all exchange partners and agreed-upon date formats have been established. We expect that all data exchanges will be compliant by September 30, 1999.

USDA is giving particular attention to those data exchanges associated with its high impact programs: Food and Nutrition Programs, Food Safety Inspection Programs, Rural/Farm Loan Assistance Programs, Animal and Plant Health Programs, Fire and Aviation Management and the Federal Employee Payroll and Thrift Savings Plan.

USDA is not just looking at the data exchanges which are directly related to the systems for program delivery, but also the partners involved in end-to-end delivery of services to the public. USDA receives monthly reports from the program areas providing updates on activities and schedules of events which will assist in achieving Year 2000 compliance.

The table below provides a status of USDA data exchange efforts:

	Federal	State	Local Government	Private Sector	Foreign	Foreign Private	Total
# of Exchanges	335	14	4	113	6	1	473
# Partners	724	457	56	236	6	1	1480
# of Contacts Made (% Contacted)	724 100%	457 100%	56 100%	236 100%	6 100%	1 100%	1480 100%
# of Agreements (% Agreements)	720 99%	417 91.2%	56 100%	224 95%	3 50%	1 100%	1421 96%
# Partners Complaint (% Compliant)	720 99%	417 91.2%	56 100%	234 99%	6 100%	1 100%	1431 97%

USDA has inventoried its data exchanges and has identified exchanges with federal, state, local government, private sector, and foreign federal and private partners. Departmental agencies are actively engaged in dialog with their partners to ensure compliance.

- C. Provide a summary description of efforts to assure that telecommunications systems and networks owned or managed by your agency are compliant. Also provide a date by which you expect all telecommunications systems and networks used by your agency to be compliant and describe any difficulties you are encountering.**

USDA uses a multi-faceted telecommunications Year 2000 compatibility approach designed to identify and correct deficiencies in equipment and systems. Some of the specific activities are listed below:

Telecommunications remediation

USDA is aggressively dealing with telecommunications remediation as the deadline for Y2K compliance approaches. The bulk of the work is complete, however there are still some areas where efforts continue. Over 90% of the items in the USDA inventory are reported as Y2K-compliant. Of the 3,854 known routers, 86% was known to be Y2K compliant by June. A major IV&V effort is currently underway to discover, classify and remediate the remaining router assets. USDA expects that total Y2K compliance will be reached by September 25, 1999. The AT&T x.25 circuits are being transitioned to MCI Frame Relay and

x.25 now. Several agencies such as FSA, GIPSA, FSIS, APHIS, AMS, NRCS, RD, OCIO, and NITC have already placed their orders with MCI for new service.

Federal Telecommunications Working Groups. USDA continues to be an active participant in several Year 2000 telecommunications forums, including the CIO Council Sub-Committee Working Group on Telecommunications and the Telecommunications Working Group of the President's Council on Year 2000 Conversion. USDA management is working closely with other executive branch departments and the vendor community to define the scope and develop the solutions for Year 2000 compliance.

USDA Telecommunications Working Group. The Year 2000 Telecommunications Working Group continues to meet monthly to provide Year 2000 telecommunications information to the agencies. This working group is the forum by which any Year 2000 telecommunications information, including best practices and lessons learned, are disseminated. Special emphasis is placed on testing, independent verification and validation, and contingency planning.

USDA Telecommunications Inventory. A department-wide telecommunications inventory has been completed. The user interface is now web-enable to facilitate easier access and data maintenance.

Telecommunications IV&V. The Office of the Chief Information Officer initiated an IV&V effort on all the equipment in the USDA centralized equipment database. OCIO has a Telecommunications IV&V contract with the Joint Interoperability Test Command (JITC), Defense Information Systems Agency. The draft final report has been received from JITC and provided to Telecommunications Service Organization to assist in the ongoing remediation activities.

D. Provide a summary description of efforts to assure that buildings owned or managed by your agency are compliant. Also provide a date by which you expect all of the buildings used by your agency to be compliant.

USDA-occupied buildings (owned and leased) are 99% compliant. The remaining 1% represents a small number of buildings leased by USDA for which agencies have not yet received verification of Y2K compliance from the building owner. USDA agencies expect verification of Y2K compliance of the remaining 1% of buildings by September 30, 1999.

Agencies are preparing Building Contingency Plans and will complete these plans by September 30, 1999. USDA agencies that share buildings such as the Service Center Agencies (Farm Service Agency, Rural Development and Natural Resource Conservation Service) are working together to prepare Building Contingency Plans. These Plans are part of an agency's local Business Continuity and Contingency Plan and have Day One Strategy information.

The USDA Y2K Program Office and Departmental Administration-Procurement and Property Management will be performing independent verification and validation (IV&V) of 15 mission-critical sites identified jointly by USDA agencies and the Department. Most of these 15 sites are research facilities which are owned by USDA agencies and contain scientific equipment with embedded technology. A contractor will conduct the IV&V and look at both building systems as well as scientific equipment at each facility. These IV&Vs will be completed by September 30, 1999.

E. Provide a summary description of progress to assure that other systems or equipment, including biomedical equipment and laboratory devices and any other products or devices using embedded chips that your agency uses are compliant. Describe any difficulties you are encountering in ensuring that such equipment is compliant.

Biomedical equipment and laboratory devices at USDA agencies are approximately 75% compliant. USDA is using a contractor, who developed testing guidance for USDA agencies to use when testing embedded technology, to assist agencies in this area. Agencies will complete testing by September 1, 1999. Most of the 25% of laboratory equipment which is non-compliant represents items for which agencies requested supplemental Y2K funding. Specifically, the Natural Resources Conservation Service and the Forest Service did not receive supplemental funding for these items and are trying to determine how to address this problem with the lack of funding. The Animal and Plant Health Inspection Service will receive funding in August 1999 and expects to be 100% compliant as soon as they acquire the Y2K compliant items, which is expected to be no later than September 30, 1999.

As discussed in Item D. Above, the USDA Y2K Program Office and Departmental Administration with the assistance of a contractor will be performing IV&Vs of 15 mission-critical sites that support high impact program areas of Food Safety, Animal and Plant Health, and Fire and Aviation Management. These IV&Vs will be completed by September 30, 1999. Y2K compliance of building systems as well as scientific and lab equipment with embedded technology will be considered at each site.

F. Please include any additional information that demonstrates your agency's progress.

Food Supply Working Group

USDA chairs the Food Supply Working Group (FSWG), one of several dozen groups initiated by the President's Council on Year 2000. The FSWG includes representatives from the Departments of State, Defense, and Health and Human Services, and the Commodity Futures Trading Commission. The working group also includes representatives from USDA agencies whose activities sustain the food supply, and from key trade associations.

The FSWG has been reviewing the status of the food supply system since last year. In addition to regularly assessing and reporting on the Year 2000 readiness of the food supply sector, the FSWG has conducted a number of other activities.

In April 1999 the Communications Task Force (CTF) of the FSWG was formed to address Y2K food sector message activities. The CTF is made up USDA staff and communication representatives from the major food trade associations and meets regularly to discuss, among other things, public and media perceptions of Y2K and communication strategies.

On May 20th, 1999 the FSWG hosted a Food Supply Roundtable with the President's Council on Year 2000 to examine the readiness of the major components of the food supply. Participants included more than 50 representatives covering the industry from farm to table (e.g., producers and growers, processors, wholesalers, distributors, food retailers, grocery stores, restaurants, and food banks. Also in attendance were USDA agencies with responsibility for food imports and low-income and other special population groups as well as the Department of Defense, which is the largest purchaser of food in the United States. The presentations and discussions made it clear that government agencies and trade organizations representing each part of the food supply system have been working aggressively and successfully to address the Y2K problem.

In response to concerns over potential Y2K effects on ocean shipping and foreign ports, in May 1999, the Foreign Agricultural Service and the Agricultural Marketing Service initiated an assessment, by FAS overseas offices, of international agricultural transportation modes vital to U.S. agricultural trade. The resulting assessments of key U.S. agricultural export markets and import suppliers, as well as major food aid recipients, were summarized in soon-to-be-published report. The report has been cleared for publication by the Departments of Transportation and Commerce and the National Intelligence Council and is awaiting final clearance for public dissemination by the Department of State, expected on Monday, August 16th.

In June 1999 the Food Supply Working Group recently completed a survey focusing on small and medium sized companies that produce and process perishable foods. An analysis of the survey data shows, not surprisingly, that smaller companies are less well prepared for the Year 2000 than larger companies but that they also are less reliant, in many cases, on computer technology and often represent a very small percentage of total production. On the other hand, a survey commissioned by the FSWG and completed in June, 1999 of the largest companies involved in food production, processing and distribution showed very commendable progress.

This survey data was included in FSWG's July 15 quarterly report to the President's Council which concludes: "These new data show steady, and in some cases, exceptional improvement in Year 2000 compliance of the industries that provide most of the food consumed in the United States, including increased awareness of the need for embedded systems compliance. The Food Supply Working Group continues to be confident that disruptions, if any, will be minimal and resolved in a few days time."

Industry Roundtable Discussions. USDA worked with the President's Council to conduct a "food industry roundtable" on May 20, 1999. The roundtable brought together key members of the food industry - who represent different sectors of the farm-to-table food supply chain - to further deepen our understanding of the food industry's preparedness, as well as develop an overall message to the public about Y2K and the food supply.

Technical Assistance. USDA is very active in providing direct technical assistance to small business owners. Through the Cooperative State Research Education and Extension Service (CSREES), we have entered into a partnership with the Small Business Administration and the Manufacturing Extension Partnership to provide technical assistance to small businesses. CSREES is providing assistance through a series of Y2K workshops, as well as "jumpstart" kits, which includes a CD-ROM and other tools, to help business owners inventory and assess systems which may be vulnerable to Year 2000 problems.

Hazard Analysis and Critical Control Point (HACCP). Year 2000 material was distributed to several Food Safety and Inspection Service's (FSIS) HACCP small plant workshops. The materials described potential Year 2000 problems which could occur in plants and adversely affect HACCP implementation and compliance.

Rural Housing Service (RHS) Brochure. RHS published a Year 2000 brochure which was sent to approximately 2000 Community Facility borrowers and 15,000 Multi-Family Housing borrowers during April 1999. This brochure outlined the steps borrowers should take to ensure their systems are Year 2000 compliant.

Rural Housing Service (RHS) Survey. RHS surveyed its telecommunications and electric borrowers to ascertain their level of Year 2000 preparedness. RUS General Field Representatives are now contacting those borrowers whose survey responses did not indicate their Year 2000 compliance plans. They are also contacting borrowers who did not respond to the survey.

GIPSA Work with Trade Groups. GIPSA continues to work with key trade groups to assess the readiness of the nation's food supply. GIPSA officials have been in contact with these groups and have spoken at a number of conferences about Y2K readiness.

III Federally supported, State-run Programs.

Describe efforts to ensure that Federally supported, State-run programs (including those programs run by territories and the District of Columbia) will be able to provide services and benefits. In particular, Federal agencies should be sensitive to programs that will have a direct and immediate affect on individuals' health, safety, or well-being. Include a description of efforts to assess the impact of the year 2000 problem and to assure that the program will operate. In addition, the Department of Health and Human Services, the Department of Labor, and the U.S. Department of Agriculture must provide the following information for those programs listed in Attachment D.

The date when each State's systems supporting the program will be Y2K compliant. Compliant here indicates the date when the State has determined when its systems will be able to provide services, whether directly or indirectly, to beneficiaries.

A list of States, if any, for which the Y2K problem is likely to cause significant difficulties in the State's operation of the program. Also provide a list of States which are not likely to encounter significant difficulties.

For those States likely to have significant difficulties, a brief description of any action that the Department is taking to assure that the program will operate.

For each program, provide an estimate by fiscal year of the Federal share of State costs associated with efforts to achieve Y2K compliance (report totals in millions and tenths):

Fiscal Year	1996	1997	1998	1999	2000	Total
Cost Estimate						

The Year 2000 Program Office has contacted the Food and Nutrition Service and expects to include the cost estimates in the September montly report. The tables on the following pages depict the status of the Food and Nutrition high-impact programs:

- Food Stamps
- Women, Infants and Children (WIC)
- Child Nutrition

**Y2K PROGRESS FOR FOOD STAMPS BY STATE
JULY 1999**

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE		HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE		TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE	
NORTHEAST							
CT	CL		C		C		C
ME	CL		C		C		C
MA			C		C		C
NH	10/99	99%	10/31/99	80%	08/15/99		C
NY	CL		C		C		C
RI	07/99	80 %	07/30/99		C		C
VT	CL		C		C		C
MID-ATLANTIC							
DE	CL		C		C		C
DC	08/99	95 %	08/30/99		C		C
MD	CL		C		C		C
NJ			C		C		C
PA	CL		C		C		C
VA			C		C		C
WV			C		C		C
VI	11/99	60%	11/01/99	85%	11/01/99	65%	11/01/99
PR			C		C		C
SOUTHEAST							
AL	09/99	90%	09/30/99		C		C
FL	CL		C		C		C
GA	09/99	0% ¹	09/30/99		C		C
KY	CL		C		C		C
MS	CL		C		C		C
NC	12/99		C		C	95%	12/31/99
SC	07/99	75%	07/31/99		C		C
TN	CL		C		C		C
MIDWEST							
IL	10/99	90 %	08/01/99	90%	10/01/99 ²		C
IN	08/99	99%	08/01/99		C		C
MI	08/99	90 %	08/30/99		C		C
MN			C		C		C
OH	09/99		C	75 %	09/01/99	75%	09/01/99
WI			C		C		C

¹ Georgia reports 0% compliance on software. The State has completed software remediation and have designated their applications "Y2K Ready", pending the completion of state-certified final testing and designation as "Compliant" by the dates listed.

² Mission critical software/data files scheduled for remediation by 08/99. Non-compliance desktop hardware will be replaced by 10/99.

Food Stamps (continued)

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE
SOUTHWEST				
AR	08/99	85% 08/31/99	97 % 08/31/99	97% 08/31/99
LA		C	C	C
NM	CL	C	C	C
OK	11/99	85% 10/30/99	05% 11/15/99	C
TX	08/99	87% 08/31/99	98% 08/31/99	C
MOUNTAIN PLAINS				
CO		C	C	C
IA		C	C	C
KS	08/99	C	83% 08/15/99	C
MO		C	C	C
MT		C	C	C
NE		C	C	C
ND	CL	C	C	C
SD		C	C	C
UT		C	C	C
WY		C	C	C
WESTERN				
AK		C	C	C
AZ	CL	C	C	C
CA	09/99	C	86% 09/30/99	C
HI	CL	C	C	C
ID	CL	C	C	C
NV	CL	C	C	C
OR	CL	C	C	C
WA	CL	C	C	C
GU	09/99	60 % 09/30/99	50 % 09/30/99	60 % 09/30/99

C = Indicates Year 2000 Compliant for the States Food Stamp System.

**Y2K PROGRESS FOR WIC BY STATE
JULY 1999**

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE
NORTHEAST				
CT		C	C	C
ME	09/99	93% 09/30/99	93% 09/30/99	C
MA	CL	C	C	C
NH	08/99	79% 08/15/99	88% 08/15/99	C
NY	CL	C	C	N/A
RI		C	C	C
VT	CL	C	C	C
MID-ATLANTIC				
DE		C	C	C
DC	CL	C	C	C
MD		C	C	C
NJ	09/99	98% 09/30/99	C	C
PA		C	C	C
VA		C	C	C
WV	08/99	85% 08/31/99	86% 08/31/99	C
VI	CL	C	C	C
PR	08/99	95% 08/15/99	C	C
SOUTHEAST				
AL	11/99	55% 11/01/99	93% 11/01/99	C
FL	CL	C	C	C
GA	12/99	80% 12/30/99	77% 10/30/99	80% 12/30/99
KY	CL	C	C	C
MS	CL	C	C	C
NC	09/99	50% 07/31/99	C	95% 09/01/99
SC	CL	C	C	C
TN	CL	C	C	C
MIDWEST				
IL		C	C	C
IN		C	C	C
MI	CL	C	C	C
MN		C	C	C
OH		C	C	C
WI	CL	C	C	C

WIC (continued)

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE		HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE		TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE
SOUTHWEST						
AR	CL		C		C	C
LA	10/99		C	50%	10/01/99	C
NM	CL		C		C	C
OK	11/99	95 %	09/01/99	85%	11/30/99	C
TX			C		C	C
MOUNTAIN PLAINS						
CO	CL		C		C	C
IA	11/99		C	80%	11/30/99	C
KS	CL		C		C	N/A
MO	08/99	95%	08/31/99	60%	08/31/99	C
MT	CL		C		C	C
NE	CL		C		C	C
ND			C		C	N/A
SD			C		C	C
UT			C		C	C
WY	CL		C		C	C
WESTERN						
AK	CL		C		C	C
AZ	CL		C		C	N/A
CA	CL		C		C	C
HI	CL		C		C	C
ID	10/99		C	85%	10/01/99	C
NV	CL		C		C	C
OR			C		C	C
WA	CL		C		C	C
GU	10/99	90%	10/01/99		C	C

C = Indicates Year 2000 Compliant for the States WIC System.

N/A = NOT APPLICABLE (Telecommunications not used for system).

**Y2K PROGRESS FOR CHILD NUTRITION BY STATE
JULY 1999**

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE
NORTHEAST				
CT		C	C	C
ME		C	C	C
MA		C	C	C
NH	CL	C	C	C
NY	CL	C	C	N/A
RI		C	C	C
VT	CL	C	C	C
MID-ATLANTIC				
DE	CL	C	C	C
DC	CL	C	?3	?
MD	08/99	90% 08/31/99	C	C
NJ		C	C	C
PA	CL	C	C	C
VA		C	C	C
WV		C	C	C
VI		C	C	C
PR		C	C	C
SOUTHEAST				
AL	08/99	80% 08/30/99	80% 08/30/99	80% 08/30/99
FL	CL	C	C	C
GA	CL	C	C	C
KY	CL	C	C	C
MS	10/99	80% 09/30/99	80% 09/30/99	80% 10/30/99
NC		C	C	C
SC	08/99	90% 08/30/99	90% 08/30/99	90% 08/30/99
TN		C	C	C
MIDWEST				
IL		C	C	C
IN		C	C	C
MI		C	C	C
MN		C	C	C
OH	07/99	80% 07/31/99	80% 07/31/99	C
WI		C	C	C

3 MARO is attempting to obtain a quarterly status report, contingency plan or a letter of certification. MARO has received a copy of a letter from the State agency's software provider indicating that software is Y2K compliant. MARO will continue to follow up.

Child Nutrition (continued)

		SOFTWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	HARDWARE % COMPLIANT NOW & 100 % COMPLIANT DATE	TELECOM % COMPLIANT NOW & 100 % COMPLIANT DATE
SOUTHWEST				
AR	CL	C	C	C
LA	12/99	C	C	90% 12/31/99
NM	08/99	95% 08/31/99	95% 08/31/99	95% 08/31/99
OK	CL	C	C	C
TX	08/99	78 % 08/31/99	98% 08/31/99	C
MOUNTAIN PLAINS				
CO		C	C	C
IA		C	C	C
KS		C	C	C
MO	10/99	95% 09/30/99	75% 10/30/99	90% 09/30/99
MT		C	C	C
NE	12/99	50% 2/31/99	C	C
ND		C	C	C
SD		C	C	C
UT		C	C	C
WY	09/99	90% 09/30/99	C	C
WESTERN				
AK		C	C	C
AZ	CL	C	C	C
CA		C	C	C
HI		C	C	C
ID	CL	C	C	C
NV	08/99	C	70% 08/31/99	C
OR	10/99	25% 10/31/99	90% 10/31/99	60% 10/31/99
WA	07/99	98% 07/31/99	C	C
GU		C	C	C

C = Indicates Year 2000 Compliant for the States WIC System.

N/A = NOT APPLICABLE (Telecommunications not used for system).

IV High Impact Plans.

For each of the 43 high impact programs for which your agency is the lead, as listed in Attachment C, provide:

- A. Key partners necessary to ensure that program benefits and services will be delivered.**
- B. A brief description of the process to ensure that the program will be ready, which may include internal testing, data exchanges, and end-to-end testing, and provide a date when that process was or will be complete.**
- C. A date or dates to inform the public of program readiness. Include dates even if they have passed.**

High-Impact Program: Food Safety

The following table and narrative address the Food Safety high impact program:

Agency/ Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary Business Continuity and Contingency Plans been Developed? If Not, When?	Date which Program Event Announcing Completed Process will be Scheduled.
FSIS: Food Safety Inspection	States with inspection programs equal to that of FSIS. Food and Drug Administration	Contact States and obtain information on their readiness June 1999. Include Y2K readiness in Agency discussions with State programs about inspection operations May-Dec. 1999 Share Y2K planning guidance and other planning materials with the States and industry June-Sep. 1999. Further develop and test the FSIS BCCP and share the products and results with the State programs May- Sep. 1999 Continually share Y2K information with the States and industry May-Dec. 1999.	FSIS will share its independent testing results with the State programs when they are available.	FSIS will use State and industry plans it receives, to the extent such information is useful.	FSIS does not really have "system operations between partners" with regard to the States and industry. One or more exercises involving them may be held. The Agency's Y2K compliance actions will be announced as they are completed.

Steps which FSIS has taken to convene its partners:

The Director of the FSIS Federal-State Relations Staff (FSRS) meets with the Directors of the State inspection programs periodically, and communicates with them by telephone continually.

A letter was sent from FSIS to the Directors of the State programs asking them about their Y2K plans, Business Continuity and Contingency Plans (BCCPs), Y2K computer compliance, and Y2K readiness. The responses have been received to this letter, indicating that all the State programs have a Y2K plan. Most states have a BCCP, all but one have Y2K compliant computers, and all but six consider themselves to be Y2K-ready, or nearly so. FSIS will be obtaining copies of the BCCPs and sharing BCCP information with the states, and encouraging those without a BCCP to complete one or do contingency planning of some kind. We will also check with the state which is using a non-compliant computer, and obtain further information on Y2K readiness.

A follow-up conference call was held between FSIS, FDA and USDA's Foreign Agriculture Service to further discuss the need to contact foreign countries regarding food safety and their Y2K status. A communication to the countries is being finalized.

Status of partner Y2K complementary contingency plans

The revised FSIS BCCP has been transmitted to the Department, including the section on BCCP testing. FDA has a high-level BCCP and local BCCP provisions are now being prepared.

Beginning and ending dates for testing system operations between partners

FSIS will share its independent testing results with the State programs and FDA when they are available. There are no electronic data system exchanges between FSIS and the State programs or other government agencies.

Additional steps which have been taken to assure uninterrupted

The status of FDA Year 2000 efforts for the High Impact Program, Food Safety Inspection, is as follows.

FDA Regulated Products Activities:

1. Roundtable discussion with 9 major trade associations to discuss associations' assessment of Y2K awareness, readiness, and contingency planning and public message of member food firms.

Update - Trade associations have been slow in submitting summaries of assessments of members' Y2K activities. Telephone discussions have been held to remind them of their commitment. An FDA compilation report of trade association summaries is expected by August 20, 1999.

2. Individual interviews with the four domestic infant formula manufacturers to ascertain their activities concerning Y2K processing safety problems. (NOTE: The firms also process specially formulated medical food products).

Update - Telephone interviews complete. Three of the four infant formula manufacturers have submitted assessments of their firms'

Y2K readiness. Y2K-related processing problems are not anticipated. The fourth firm again promised to send its assessment shortly. Overall report is planned for an August 18, 1999 completion.

3. Notify seafood processors and distributors of the need to be aware of and take necessary actions concerning possible processing safety problems due to Y2K computer control malfunctions. This notification will be part of a letter which addresses the importance of HACCP implementation.

Update - Letter has been developed, reviewed, and cleared within the Agency. The mailing to 4882 seafood processors and distributors will begin no later than August 6, 1999.

4. Ongoing participation on the President's Council Food Supply Working Group, addressing the President's Information Coordination Center (ICC) millennium rollover (January 1, 2000) tracking of potential Y2K food disruptions.
5. Consumer-directed message addressing FDA's assessment of food industry status of potential Y2K-based food safety problems occurring at the millennium rollover.

Milestone - September 7, 1999

Status - Food trade summaries are being received and reviewed for basis of message development

Contacts - USDA, State consumer-directed agencies, food trade associations, infant formula manufacturers

Follow-up - FDA personnel will respond to consumer inquiries

6. Interim FDA Inspection Policy Regarding Y2K Issues.

Status - Issued on February 11, 1999

Description - Instructions to FDA field offices establishing policy for providing regulated firms with appropriate Y2K problem information during routine establishment inspection activities. This policy stresses potential Y2K problem awareness, assessment and validation information availability, and understanding of FDA's current Y2K position, procedures and concern.

7. Y2K Computer Compliance Policy Guide.

Status - Issued on April 26, 1999

Description - This guidance document represents FDA's current thinking on manufacturing and distribution of FDA-regulated domestic and imported products using computer systems which may not perform properly prior to or during the transition to the year 2000.

Follow-up - Ongoing. This guidance will be implemented

where regulated establishments and products are not compliant with laws and regulations administered by FDA because of Y2K compliance issues. The decision on whether to pursue regulatory action will be based on FDA's assessment of several factors, including product risk, and the firm marketing violative products resulting from Y2K computer problems.

Food and Nutrition High Impact Program

The tables in Attachment 1 outline the plans and accomplishments for the Food and Nutrition high impact programs.

V Change Management and Verification Efforts.

- A. Describe how and to what extent internal performance reports, (i.e., compliance of systems repaired and replaced) are independently verified. Provide a brief description of activities to assure independent verification that systems are fixed and to assure that information reported is accurate. Also identify who is providing verification services (for example, Inspectors General or contractors).**
- B. Describe your agency's change management process to assure that the effect on year 2000 readiness is considered prior to establishing new requirements or changes to IT systems.**
- C. Describe any ongoing testing your agency is undertaking to ensure readiness of systems, such as integration testing, end-to-end testing, and retesting of key systems to further ensure readiness.**

Change Management

USDA's information technology moratorium is the driving force being utilized to minimize changes to our internal systems. In November 1996, an information technology (IT) acquisition moratorium was invoked so that USDA could improve management of technology. The moratorium applied to IT acquisitions over \$250,000 except for:

- Renewals of existing contracts for mission-critical maintenance and leases;
- Support services contracts for "existing" mission-critical hardware, software and applications, including Year 2000 compliance; and
- IT acquisitions by organizations other than USDA agencies but funded by USDA grants (state governments).

In August 1997, Secretary Glickman modified the moratorium to ensure agencies focused on achieving Year 2000 compliance. He directed agencies to produce an acceptable Year 2000 conversion plan and to demonstrate progress on plan implementation before requesting a waiver to the moratorium. The moratorium was modified so that it applied to IT acquisitions over \$25,000 and waivers would be granted only for: 1) acquisitions related to Year 2000 compliance or 2) emergencies. Congress added emphasis to the acquisition moratorium by inserting language in the Appropriation Act for Agriculture, Rural Development, Food and Drug Administration and Related Agencies for Fiscal

Years (FY) 1998 and 1999. The funding bills directed that the Executive Information Technology Investment Review Board (EITIRB) must concur on the use of and the CIO must approve expenditure of funds by the Department of Agriculture (USDA) agencies for new information technology (IT) systems and significant upgrades.

Only emergency requests or Year 2000-related activities are being considered for approval. The moratorium has a review process which crosses all areas of information technology for analysis and review by subject area experts as well as the Year 2000 Program Office. The moratorium review encompasses a stringent look at requests that may impact an already compliant environment. Each approved request is tracked and monitored. This effort is complemented by each agency enforcing its internal change management and quality assurance practices.

Verification Efforts

USDA continues to test systems and conduct independent verification and validation on its systems. The 52 Departmental Priority systems are being IV&V by an independent third party contractor in the area of test documentation and code analysis. The remaining mission critical systems are also going through vigorous IV&V activities using either current contracting services or documented quality assurance methodologies. The Departmental Priority systems IV&V is being accomplished in a three phase approach:

Phase 1 - involves examining each system, interviewing technical points of contact, and analyzing relevant system documentation. This documentation includes background information on the system or application, summary reports of previous assessments, remediation documents, test plan documents, test report documents, summarized test results, and a sampling of system test cases. Contractor support was acquired for this phase. The contractor, working with the USDA Y2K Program Office, has already contacted each agency, and has received the required documentation. Analysis of the 52 Departmental Priority systems is underway. Findings are being reported to the USDA Y2K Program Office as they are finalized. It is expected that the analysis will be complete on or about September 30, 1999.

Phase 2 - scanning the code for each system to determine year 2000 compliance of all date fields. The code scan results will be compared with both expected results and results of previously conducted tests. Contractor support was acquired for the code scanning as well as the audit of the results. The code scan vendors provide the USDA Y2K Program Office with weekly status reports. The code scan results are sent to the USDA Y2K Program Office as they are completed for a given agency. The target completion date for all code scanning is September 1999.

Phase 3 - remediation and re-certification of each of the 52 Departmental Priority systems. Guidance has been disseminated to all agencies regarding phase 3 activities, which includes assessments of code scan findings and further remediation, as needed, followed by a final re-certification step.

VI Regulatory Review.

Describe your agency's process for reviewing regulations to consider the effect of the regulation on the Year 2000 readiness of regulated entities and to consider alternatives to minimize that effect.

In accordance with Departmental Regulation 1512-1, "Regulatory Decisionmaking Requirements", the Information Management Division within the Office of the Chief Information Officer reviews all significant or economically significant regulatory actions to:

- Ensure agency compliance with the Paperwork Reduction Act of 1995; and
- Assist agencies with the identification of information collection and recordkeeping requirements and with the submission of information collections requests for OMB approval.

In light of concerns related to USDA agency and industry preparedness for the Year 2000, the Chief Information Officer also requires the Year 2000 Program Office to review rulemakings submitted for clearance to determine if there would be a potentially negative impact on the agencies or regulated entities ability to complete Year 2000 remediation. Regulations that have Year 2000 impact on compliant systems may receive approval based on an effective date which is in the Year 2000.

Both of these OCIO organizations work together to ensure regulatory reviews are completed in a timely manner and any concerns or issues are resolved prior to the rulemaking being forward to the Chief Information Officer for clearance.

VII Business Continuity and Contingency Plans (BCCPs).

Provide information on progress in developing and testing BCCPs in your agency. Include:

- A. Assurances that local and regional offices have developed and tested business continuity and contingency plans in coordination with headquarters. Also provide the total number of such offices which require BCCPs and the number that have such plans in place.**
- B. Describe how your agency is coordinating its BCCP with its Continuity of Operations (COOP) planning efforts.**

All Mission Areas met the requirement to have developed and submitted a copy of their BCCPs to the OCIO for review by October 30, 1998. Since that time, the focus has been upon working to improve the overall quality of the plans. Specific guidance documents covering supplemental information, rehearsal (testing), Day One strategies, and local BCCP development have been published. The guidance covers contingency planning at both the National and Local level.

This documentation has been augmented with written reviews and discussions to address Plan strengths and weaknesses. Quarterly updates document improvements and appropriate revisions to the Plans. All BCCPs are required to have scheduled test plans with completion of testing by September 30, 1999.

Local Continuity Planning

USDA is taking necessary measures to ensure that mission areas and agencies have local continuity and contingency Plans at their field, regional, service centers, and laboratory locations..

USDA is approximately 50% complete with development of local plans. All Mission Areas with field based offices must ensure that plans are developed. The following table shows agency progress in developing local plans:

Agency	Number of Locations Requiring Plans	Number of Plans In Place
Food Safety Inspection Service	22	18
Forest Service	15	2
Agricultural Marketing Service	229	229
Grain Inspection, Packers & Stockyards Administration	29	29
Animal & Plant Health Inspection Service *	503	503
Risk Management Agency *		
Natural Resources Conservation Service *		
Farm Service Agency *		
Agricultural Research Service *		
Rural Development **	48	48
* Not Available ** All states have certified that contingency/disaster recovery plans are in place. A generic BCCP has been sent to State Directors requiring contingency plans.		

Most agencies are in the developmental stage of this process with plans and all local plans are expected to be in place and tested by September 30, 1999.

BCCP and Continuity of Operations (COOP) Planning Efforts

The Y2K Program Office and COOP Team have been working together since the beginning of the USDA COOP initiative. OCIO/Y2K staff have participated in COOP training and weekly COOP meetings. In addition, the COOP representative also attends the monthly Y2K Executive Sponsors and BCCP Coordinators Meetings.

The Y2K BCCP Program Manager participated as an observer in the development and testing of the COOP. A Y2K possible failure was part of the scenario for the COOP tabletop exercise held on August 10, 1999. BCCP test plans and testing exercises will be coordinated with the COOP office.

Additionally, in preparation for event management during the rollover from the year 1999 to year 2000, the Y2K Program Office has identified the Emergency Operations Center as the site for the USDA Information Coordination Center, with support and assistance from the Crisis Management Team and COOP staff.

VIII Other Management Information

A. Report your estimates of costs associated with year 2000 remediation, including both information technology costs as well as costs associated with non-IT systems. Report totals in millions of dollars. (For amounts under \$10 million, report to tenths of a million.)

Fiscal Year	1996	1997	1998	1999	2000	Total
Current Cost	\$2.5	\$15.1	\$63.6	\$88.3	\$9.8	\$179.3

B. Please identify any costs within these estimates which are not covered by base funds and/or emergency funds that have already been released.

C. If there have been dramatic changes in cost, please explain.

The May Quarterly Report had an estimated total cost of \$183.0 million. The May estimate included a planned emergency supplemental funding request for \$17.2 million from one USDA agency. After closer examination, \$14 million of this request was removed. Therefore, an adjusted May total cost estimate is \$169 million. The August report shows an increase of approximately \$10 million from the adjusted amount. A large portion of the increase, \$6.5 million, was received in the latest round of emergency supplemental funding.

D. Describe any concerns with availability of key personnel, including ensuring that key staff will be available during the weeks before and after the transition to the year 2000.

There are no changes from last report.

E. Describe any problems that are affecting progress.

Attachment 1: FNS High Impact Programs
July 29, 1999

Food and Nutrition Service
Abstract of Plan for Assuring the Year 2000 Readiness of High Impact Federal Programs

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
FNS	Food Stamp (FSP) Women, Infants and Children (WIC) Child Nutrition (CN)	All states and territories with Automated Data Processing (ADP) Systems	<u>January, 1999</u> Sent follow-up memorandum to Regional Administrators to share with the States on Y2K requirements.	<p>FNS does not participate in state Y2K testing activities. State testing methodologies and results are being examined by the FNS Y2K technical support contractor as needed.</p> <p>FNS has retained the services of Science Applications International Corporation (SAIC) to provide technical support services in the form of analytical, technical, and oversight of state Y2K activities. SAIC is working closely with FNS headquarters and regional staff in assessing and monitoring the status of state agencies and providing technical advice as needed.</p>	<p>All states have been requested to submit either a Y2K Certification Letter or a Contingency Plan.</p> <p>FNS met with the Undersecretary for Food, Nutrition, and Consumer Services on Friday, June 18, 1999, regarding the process for collecting Certification Letters and Contingency Plans. Further action regarding this issue will be based on June state activity report results which will be published mid July.</p> <p>The Undersecretary for Food, Nutrition, and Consumer Services will address FNS senior managers on</p>	<p>FNS reports individual state compliance activity on a quarterly basis to the USDA OCIO.</p> <p>After submission of the June report, individual state compliance activity will be reported to the USDA OCIO on a monthly basis.</p>

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
					<p>July 1-2, 1999 regarding state Certification Letters and Contingency Plans.</p> <p>FNS is working closely with states to insure they have viable Contingency Plans in place.</p> <p>Contingency Plan reviews are being conducted by the FNS Y2K technical support contractor, SAIC, as needed, to identify any operational issues.</p>	
			<p><u>February 1999</u></p> <p>Received Supplemental funding for technical assistance to states for FSP, WIC, and CN.</p>			
			<p><u>April 1999</u></p> <p>Request Certification of compliant systems.</p>			
			Request Contingency Plans of systems that are not compliant.			
			Contract Award for			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			assistance in providing guidance and technical assistance to states for FSP, WIC, and CN.			
			Prioritized states according to risk (high, medium and low) based on state of Y2K efforts.			
			Conference call with FNS Regional Offices to discuss Y2K technical services.			
			Begin visits to states (multiple states per visit)			
			<p><u>May 1999</u></p> <p>Provide reports on state activity.</p> <p>“ The following state visits were conducted during the week of</p> <p>May 2, 1999:</p> <p>Alabama (WIC)</p> <p>Puerto Rico (WIC & CN)</p> <p>(See Attachment 2 of the Y2K Progress Report)</p>			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			<p>“The following state visits were conducted during the week of May 16, 1999: Washington D.C. (FSP) (See Attachment 2 of the Y2K Progress Report)</p> <p>Hawaii (CN) Georgia (WIC) (Results published in the monthly Y2K report)</p> <p>“ The following state visits were conducted during the week of May 23, 1999: Guam (FSP & WIC) Rhode Island (FSP) (See Attachment 2 of the Y2K Progress Report)</p> <p>“ The following state visit was conducted during the week of May 30, 1999: Oklahoma (FSP)</p>			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			(Results published in the monthly Y2K report)			
			<p><u>June 1999</u> Provide reports on state activity.</p> <p>“ The following state visits were conducted during the week of June 6, 1999: West Virginia (WIC) (Results published in monthly Y2K report) Oregon (CN)</p> <p><u>Visit results will be available pending FNS internal review and approval.</u></p> <p>“The following state visit was conducted during the week of June 13, 1999: New Hampshire (WIC & FSP)</p> <p><u>Visit results will be available pending FNS</u></p>			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			<p><u>internal review and approval.</u></p> <p>“ The following state visits were conducted during the week of June 20, 1999: Iowa (WIC) Maine (FSP) (Results published in Y2K monthly report) South Carolina (FSP)</p> <p><u>Visit results will be available pending FNS internal review and approval.</u></p> <p>“The following state visits were planned for the week of June 27, 1999: Texas (FSP & CN) Massachusetts (FSP)</p>			
			<p><u>July 1999</u></p> <p>Provide reports on state activity.</p> <p>“ The following state visit is planned for the week of July 4, 1999:</p>			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			<p>Alabama (FSP) “ The following state visits are planned for the week of July 11, 1999:</p> <p>Missouri (WIC & FSP) Georgia (FSP) Oklahoma (WIC) “ The following state visit is planned for the week of July 18, 1999:</p> <p>Texas (WIC) “ The following state visit is planned for the week of July 25, 1999: South Dakota (WIC) North Carolina (FSP)</p>			
			<p><u>August 1999</u> Provide reports on state activity.</p> <p>Visits planned for the</p>			

Agency	Program	Partners for Program Delivery	Milestone Schedule for Key Plan Activities	Beginning and Ending Dates for Testing System Operations Between Partners	Have Complementary and Business Continuity Plans been Developed? If not, why?	Date that Program Event Announcing Completed Process will be Scheduled
			<p>following states:</p> <p>August 11 - 12, 1999: North Carolina (WIC)</p> <p>August 16 - 19, 1999: Illinois (FSP & WIC)</p>			
			<p><u>December 1999</u></p> <p>Target date for completion of state activity by FNS.</p>			